

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
)	Chapter 11
)	
FRANCHISE GROUP, INC., <i>et al.</i> , ¹)	Case No. 24-12480 (LSS)
)	
Reorganized Debtors.)	(Jointly Administered)
)	
)	Re: Docket No. 1673
)	

**FEE EXAMINER’S FINAL REPORT REGARDING
FIRST AND FINAL FEE APPLICATION
REQUEST OF HILCO REAL ESTATE, LLC**

Direct Fee Review LLC (“DFR”), appointed and employed as the Fee Examiner in the above-captioned bankruptcy proceedings and acting in its capacity regarding the First and Final Fee Application Request of Hilco Real Estate, LLC (the “Firm”) for compensation for services rendered and reimbursement of expenses as Real Estate Advisor to the Debtors for the compensation period from November 3, 2024 through June 2, 2025 (“Fee Application”) seeking

¹ The Reorganized Debtors in these chapter 11 cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260), Franchise Group Newco BHF, LLC (4123), Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Reorganized Debtors’ headquarters is located at 2371 Liberty Way, Virginia Beach, Virginia 23456.

approval of fees in the amount of \$4,201,207.00 and the reimbursement of expenses in the amount of \$0.00, submits its final report.

BACKGROUND

1. In performance of audit procedures and in preparation of this report designed to quantify and present factual data relevant to the requested fees contained herein, DFR reviewed the fee statement and the Application, including each of the billing and expense entries listed in the exhibits to the statements, for compliance with the terms of the Firm's retention.
2. DFR did not prepare informal memos related to monthly fee applications of the Firm. We included our questions and issues in an initial report. We have included all responses and any recommended resolutions in this final report.

DISCUSSION

3. For the compensation period of November 3, 2024 through June 2, 2025 the Firm submitted monthly fee applications in the amount of \$4,201,207.00 as actual, reasonable and necessary fees and for expense reimbursement of \$0.00.
4. Our procedures applied to the fee application identified fees where the Term Extended Lease Fee appeared disproportionate to the total value secured. We requested and the Firm provided us with the terms and gross rents for these leases together with detailed explanations. After review of these explanations and validating the calculations, we found that these fees had been properly calculated and have no recommendation for adjustment of these fees. Since no adjustment is required, no exhibit has been included.

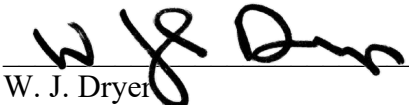
5. Our review and procedures applied to the fee statements and the application, including each of the billing entries listed in the exhibits to the statements did not disclose any other material issues or questions.

CONCLUSION

6. Regarding the application and the fees and expenses discussed in the previous sections, DFR submits its final report for the First and Final Fee Application Requests of Hilco Real Estate, LLC for compensation for services rendered and reimbursement of expenses as Real Estate Advisor to the Debtors for the compensation period from November 3, 2024 through June 2, 2025 and we recommend the approval of the fees of \$4,201,207.00 and reimbursement of expenses in the amount of \$0.00.

Respectfully submitted,

DIRECT FEE REVIEW LLC
FEE EXAMINER

By: 
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